

WASHINGTON -(Dow Jones)- House lawmakers unveiled seven bills Friday to speed up the eventual closure of government-controlled mortgage giants Fannie Mae ( FNMA) and Freddie Mac (FMCC), part of a Republican push to dramatically reduce the U.S. government's role in the mortgage market.

The bills are part of a GOP strategy keep public attention on Fannie and Freddie, the two mortgage giants whose government takeover in fall 2008 has cost taxpayers about \$138 billion so far.

Republicans, especially in the House, want to unwind the government's longstanding support of the \$10.5 trillion U.S. mortgage market, arguing that the high levels of support that have traditionally been part of American housing policy pose too much of a risk of future bailouts. They face intense resistance, however, from powerful interests such as Realtors and community bankers, who have been lobbying on Capitol Hill to maintain federal support. The Senate, meanwhile, has shown little inclination to take up the issue anytime soon.

Fannie and Freddie buy loans and repackage them for sale to investors as securities, offering guarantees to make investors whole if borrowers default. They were placed in federal control in September 2008 after rising mortgage losses wiped out their thin capital cushions.

The GOP bills add to eight that were passed by a House subcommittee last month. They restore a cap on the amount of taxpayer aid the two companies can receive, ensure there is no new federal replacement for Fannie and Freddie if the two are put into receivership and bar the government from lowering the 10% annual dividend paid by the two companies.

Others would require Fannie and Freddie to dispose of "non-mission critical" assets such as patents and data, subject the two companies to the Freedom of Information Act, and limit payments of legal fees for Fannie and Freddie executives.

Finally, a bill would abolish an affordable housing trust fund that was created in 2008. It was supposed to be funded by profits from Fannie and Freddie but never got going as the companies' fortunes turned downward.

The GOP bills' sponsors are: Rep. Jason Chaffetz (R., Utah); Rep. Michael Fitzpatrick (R., Pa.); Rep. Robert Hurt (R., Va.); Rep. Randy Neugebauer (R., Texas); Rep. Don Manzullo (R., Ill.); Rep. Ed Royce (R., Calif.) and Rep. Steve Stivers (R., Ohio).

While many Republicans favor limiting the federal role in the housing market as much as possible, others are taking a more moderate position.

Earlier this week, **Rep. John Campbell (R., Calif.)** and Rep. Gary Peters (D., Mich.) unveiled legislation that would replace Fannie and Freddie with at least five private companies that would issue mortgage-backed securities with the explicit guarantee of the federal government. Their proposal mirrors plans advanced by industry groups such as the Financial Services Roundtable's Housing Policy Council and Mortgage Bankers Association.

Such legislation could eventually pass Congress, as it ensures that low-cost mortgages will be available to consumers, said Jaret Seiberg, financial policy analyst at MF Global's Washington Research Group, in a note to clients Thursday. But it may take several years for that kind of approach to garner enough support, Seiberg wrote, noting that "it will be hard for many Republicans to support this approach."